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19 May 1981

MEMORANDUM FOR: Deputy Director for Operations
Deputy Director for Administration
Comptroller
Deputy to the DCI for the Intelligence Community

FROM: Director of Central Intelligence

SUBJECT: Budget Authorization

1. At yesterday's Cabinet meeting there was considerable discussion about the departments which have been overspending their budget authorization, a few of them by substantial amounts, and also of appropriations that may be voted in excess of the spending limit approved in the budget authorization. The Cabinet members were urged to watch this very closely and to protect the Administration's spending limit. Defense is spending at a rate of a billion three below it's authorization. I don't want to get surprised at our performance in this area.

2.. Will you report to me where we stand on spending in relationship to authorization, what the prognosis is, and how we will keep on top of possible additional appropriations which would carry the President's budget over the appropriations limit, etc.

3. Also, I'd like a review of opportunities for reducing overhead and other administrative expenses around here and am including Max Hugel in this memorandum to get the benefit of his observations while DDA.

STATINTL

William J. Casey